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'FBI Is All Over the Place'

S.F. Soviet Consulate: Cow Hollow Intrigue

By WILLIAM OVEREND, *Times Staff Writer*

SAN FRANCISCO—On a dead-end street in a residential neighborhood overlooking San Francisco Bay, suspiciously idle young men who deny that they are FBI surveillance agents sit in parked cars throughout the day.

There is a basketball hoop near the cul de sac that serves as their post, and the neighbors say that they occasionally get out of their cars to shoot some baskets and practice their dribbling.

Most of the time, however, the young men simply wait in their cars until replacements arrive and it is their turn to patrol the surrounding streets, paying particular attention to activities around a mysterious seven-story brick building down the hill.

The Soviet Consulate, on the corner of Green and Baker streets in the affluent San Francisco neighborhood of Cow Hollow, is regarded by U.S. intelligence sources as the center of Soviet espionage activities on the West Coast.

Because of the Soviet presence, Cow Hollow, so named because several dairies once operated in the area, has also become a center of FBI counterintelligence activity in the West.

Although the young men up the hill on Vallejo Street deny any FBI connection, government officials concede that they are members of a special FBI surveillance team assigned to watch the consulate around the clock.

The FBI's other monitoring techniques are not so obvious, but many Cow Hollow residents believe that the FBI occupies several houses in the area and has installed cameras and electronic eavesdropping equipment in residences close to the consulate.

Testimony of FBI surveillance agents during the recent spy trial

of Svetlana and Nikolai Ogorodnikov in Los Angeles revealed that almost everybody who visits the Soviet Consulate is photographed and identified by one means or another.

Both of the Ogorodnikovs, convicted of conspiring with former FBI agent Richard W. Miller to pass secret FBI documents to the Soviet Union, were visitors at the Soviet Consulate, and were photographed there by the FBI. The investigation that led to their arrest last Oct. 2 also exposed one of the dozen Soviet vice consuls operating out of the consulate, Alexandr

Grishin, as a KGB agent.

Grishin, the first Soviet diplomat in San Francisco named as an unindicted co-conspirator in an espionage case, has subsequently left the United States and returned to Moscow, reportedly on a lengthy vacation. If he returns, he may later be officially expelled from the United States.

"The FBI is all over the place," one neighborhood resident said, requesting anonymity on grounds that he does not want any trouble with the Soviets. "They had some of their monitoring equipment in my house for awhile. Now it's in another house, and they have other places, too."

In July, 1983, in connection with his lawsuit against the FBI because they fired him for being overweight, former agent David Castleberry claimed that the FBI had dug a tunnel under the Soviet Consulate to eavesdrop on the Soviets.

While the FBI denied the existence of the tunnel, neighbors say the Soviets immediately dug a 15-foot-deep trench around their building to see if such a tunnel

existed.

Miller's own trial is scheduled for Aug. 6 in Los Angeles. It has still not been revealed how the FBI learned of his involvement with the Ogorodnikovs, but the FBI's investigation of Miller began only a few days after he traveled with Svetlana Ogorodnikova to the San Francisco consulate last Aug. 25.

There has been speculation that the FBI has wiretaps on the telephones inside the consulate, and that speculation was strengthened by an account of the FBI's questioning of Miller before his arrest. It was released last month in a court document filed in connection with his trial.

Referring to Miller's account of the San Francisco trip, FBI agents quoted Miller as telling them that he had warned Ogorodnikova that the consulate phones were bugged.

"Miller . . . informed her that the telephones were monitored," the FBI quoted Miller as saying. "Miller stated he gave her this information to enhance his position with her and thought since both sides did the same thing it was common knowledge."

The Soviets themselves maintain that the consulate's primary function is to promote good will and improved relations between the United States and the Soviet Union. They have little else to say about what goes on inside, and declined a request for an interview last week.

But one clue to the activities is the forest of radio antennae and electronic devices that has sprouted on the roof of the consulate building since the Soviets arrived in 1972.

FBI agents say the Soviet electronic equipment is capable of intercepting phone conversations at the hundreds of defense contractors and computer firms operating in the nearby Silicon Valley and recording them electronically with the help of computers.

"Probably their No. 1 target in the United States is the Silicon Valley," said Robert S. Gast II, a former counterintelligence agent who now heads the FBI's San Francisco office. "The gear on the building isn't there for picking up TV programs."

The consulate has a staff of 50 diplomats and support personnel,

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Gast said. Of those, he estimated, a third are officers of the Soviet KGB and GRU, the civilian and military branches of Soviet intelligence, working under diplomatic cover.

But the percentage of actual KGB and GRU officers assigned to the Soviet consular staff does not begin to reflect the priority that the consulate places on intelligence gathering, Gast said.

"They devote a substantial amount of their working day to intelligence activities," he said. "Damn near everybody over there is involved."

The only other Soviet outposts in the United States are the Soviet Mission to the United Nations in New York and the Soviet Embassy in Washington, both reportedly staffed with equally large numbers of intelligence agents.

The San Francisco consulate was established as part of a U.S. State Department accord with the Soviet Union in which the United States was allowed to open a similar facility in Leningrad. Some intelligence experts have questioned the wisdom of the agreement.

They point out that while the Soviets were permitted to locate their consulate in the hilly area of Cow Hollow near Pacific Heights, with a commanding view of the San

Francisco Bay as well as good electronic access to the Silicon Valley, the U.S. Consulate in Leningrad is located in a swampy lowland.

John Barron, an expert on the Soviet KGB and a possible witness in Miller's coming Los Angeles spy trial, is among those who have called for the San Francisco consulate to be permanently closed.

"It is preposterous to allow the Soviet Union to station hordes of

KGB officers in our midst," Barron wrote in a book, "KGB Today: The Hidden Hand."

"The Soviet Consulate in San Francisco, which looks down upon one of the greatest seats of scientific research and development in the world, is a nest of spies and little else," he added. "The consulate should be closed forthwith and its entire staff sent home."

U.S. intelligence officials, how-

ever, argue that there are some intelligence advantages in allowing the consulate to operate in San Francisco, pointing out that the Soviets would undoubtedly close the U.S. Consulate in Leningrad if the San Francisco consulate were to be shut down.

"It's hard for me to judge what we get out of Leningrad, (but) I'm not uncomfortable with the consulate here," Gast said. "I think we should have more consulates. I'd be concerned about the amount of deep cover illegal activities if the consulate weren't here. Those cases are incredibly difficult to work."

While the threat of Soviet espionage activities has been the focus of the national controversy over the San Francisco consulate, the local debate over whether the Soviets should be in Cow Hollow has focused on more mundane matters.

Over the years, Cow Hollow residents have complained about the almost daily demonstrations outside the consulate, about strange electronic disruptions on their television sets and telephone

lines, about the driving habits of Soviet consular officials and their failure to comply with local parking regulations.

On Christmas Day of 1982, relations between some of the residents of Cow Hollow and their Soviet neighbors reached a low point when the Soviets suddenly decided to add an 8-foot-by-8-foot box to the jumble of electronic gadgetry already on the consulate roof.

While the contents of the box, presumed by many to be some new spy gear, concerned some of the neighbors, the main issue was that the new addition to the consulate roof blocked the view of San Francisco Bay.

Ann Fogelberg, vice president of the 450-member Cow Hollow Assn., said the neighbors complained to Mayor Dianne Feinstein that the "shack" on top of the consulate roof violated a 1968 State Department agreement in which the Soviet Union promised to abide by local rules and regulations.

"The Russians' first response was that they were fixing a leak in the roof. Then they said they had erected the box to put their tools

in," Fogelberg said. "But it finally got too embarrassing for them. There was great media interest, and they had helicopters flying over the consulate every day. They took it down in two weeks."

One result of that confrontation was an open house held by the Soviet Consulate for the residents of Cow Hollow, one of the few occasions when the neighbors have been given a peek inside the building.

"When we first walked in, one of their diplomats said, 'Thank you for invading our consulate,'" said Mark Keen, a Cow Hollow resident for four years. "I assume he got his English twisted around and meant to say something else."

Keen said that the Soviets entertained their neighborhood visitors in a basement recreation room, dominated by a giant painting of Lenin, where the Soviet consular staff members regularly play pool.

"They showed a three-hour Russian film about a guy who loses his job and wanders around Moscow. Then there was an Intourist movie about Moscow. After Dark—what bowling alley to go

to," Keen said.

The consulate open house was "a parody of how the Russians would act. But they were very friendly. They kept encouraging us to drink a lot of vodka, and they were great hosts," he said.

The largest demonstrations at the consulate came in 1983 after the Soviet Union shot down Korean Air Lines Flight 007 that they said had strayed into Soviet air space. After complaints from Cow Hollow residents, the San Francisco Board of Supervisors approved a resolution calling for President Reagan order that the consulate move to a commercial area of the city.

At the request of the State Department, however, Mayor Feinstein vetoed the resolution, saying: "We must not allow local concerns to impair our country's foreign relations at this delicate moment in world affairs."

Today, the residents of Cow Hollow are divided on whether the consulate should be relocated to a business area of the city, but most say that they believe that the Soviets should have a consular facility somewhere in San Francisco regardless of the espionage activities of Soviet agents.

"The consulate adds a little touch of mystery to the neighborhood,"

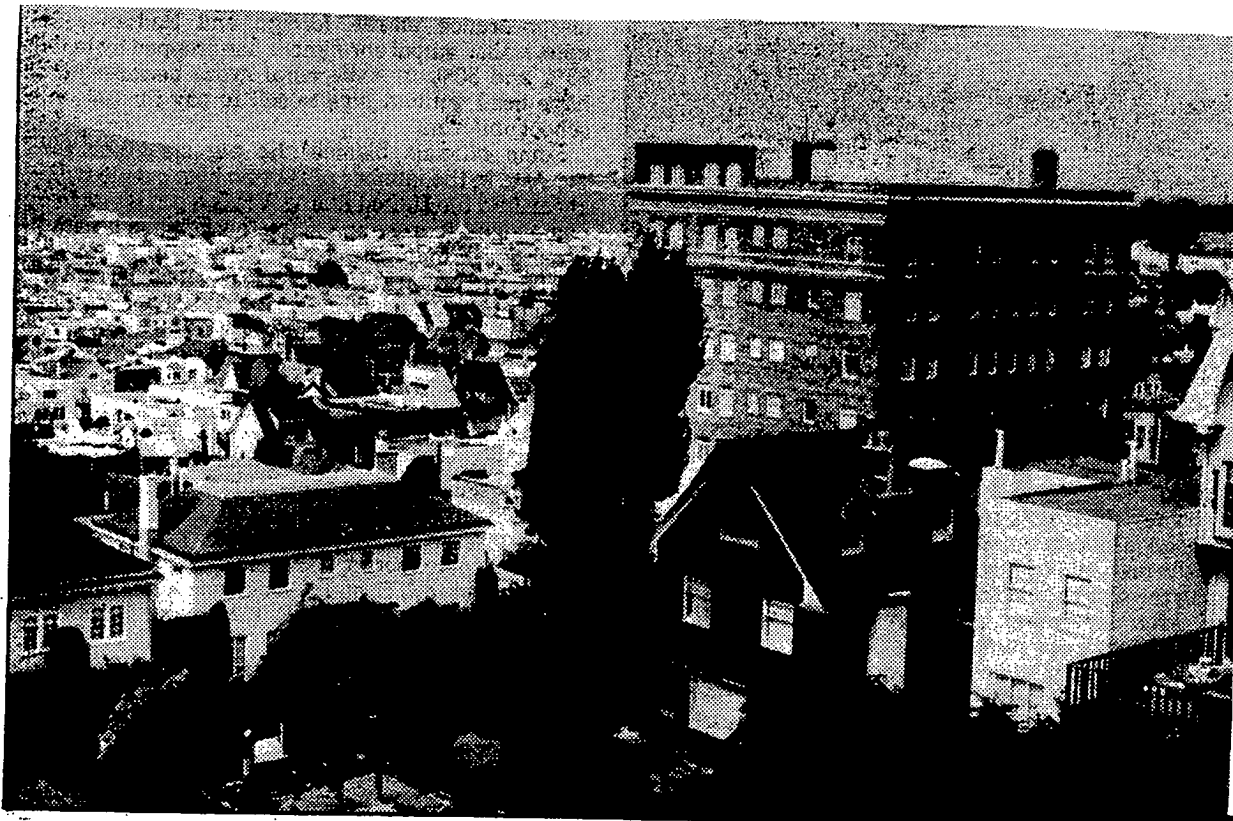
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said Margy Boyd, who has lived in Cow Hollow for 28 years. "They obviously engage in espionage, but they haven't caused us any personnel discomfort. They make life a little more interesting."

One dissenter to the generally tolerant view of the Soviet presence is an elderly Russian emigre who lives with her daughter in a house across from the consulate. Last week, while watering flowers in front of her house, she spoke of

her escape from Stalinist Russia in the 1930s and the irony of the Soviet presence.

"They are all spies over there," she said. "I think our government is much too lenient. They have the high ground here, and we're in a swamp in Leningrad. If they are going to be here, they should be someplace where everybody can watch them. Why in the world did they give them such a great location?"



SUSAN GILBERT

Seven-story Soviet Consulate occupies prominent high ground overlooking San Francisco Bay.